



2015

Quarterly Report II

Key data Eckert & Ziegler

		01-06/2015	01-06/2014	Change
Sales	€ million	69.0	61.9	+ 11 %
Return on revenue before tax	%	16 %	9 %	+ 87 %
EBITDA	€ million	15.6	9.7	+ 61 %
EBIT	€ million	11.7	6.2	+ 89 %
EBT	€ million	11.2	5.4	+ 109 %
Net income before other shareholder's interest	€ million	7.2	3.3	+ 122 %
Net income	€ million	7.5	3.3	+ 129 %
Earnings per share (basic)	€	1.41	0.62	+ 129 %
Operational cash flow	€ million	3.9	0.1	n. a.
Depreciation and amortization on non-current assets	€ million	3.9	3.5	+ 12 %
Staff as end of period	Persons	715	681	+ 5 %

Milestones



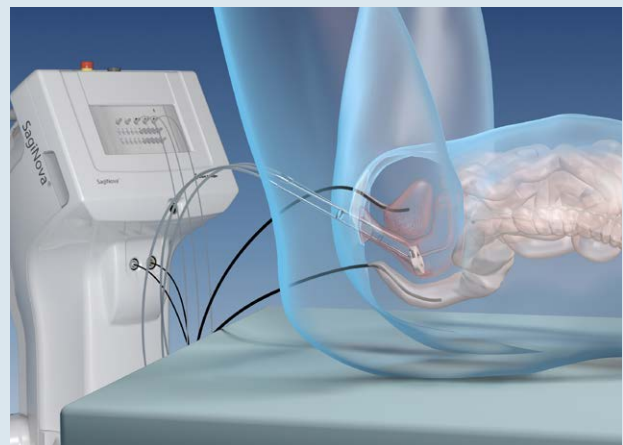
← DIVIDEND

A dividend in the amount of € 0.60 is decided at the Annual General Meeting on 3 June 2015.



← ↓ FDA MARKET CLEARANCE

The tumor irradiation equipment SagiNova® receives market clearance from the U.S. Food and Drug Administration (FDA). North America is the largest homogeneous market for brachytherapy.



← OCTREOPHARM SCIENCES

The French pharmaceutical company IPSEN acquires all shares in OctreoPharm Sciences. As a result, the Executive Board of Eckert & Ziegler AG has raised its profit forecast for 2015 to at least € 2.00 per share, or just over € 10 million.

Business development of the Eckert & Ziegler Group

MOST SUCCESSFUL QUARTER IN THE COMPANY'S HISTORY

The Eckert & Ziegler Group had its best-ever quarter following the sale of its interest in OctreoPharm Sciences GmbH and profit for the quarter of € 4.8 million. Sales of products and services also generated a new record figure of € 35.0 million.

Sales rose by € 7.1 million, or 11 %, to € 69.0 million in the first half of 2015. A majority of this amount, € 6.0 million, is due to the more favorable US dollar/euro exchange rate. The acquisition of the Isotope Products segment in Brazil saw sales climb by € 1.6 million. Organic sales declined slightly by € 0.5 million.

EBIT almost doubled year on year to € 11.7 million. Profit for the first half of the year after taxes and minority interests increased by more than 100 % to € 7.5 million, or € 1.41 per share.

The Isotope Products segment benefited the most from the weak euro, while also recording a positive acquisition effect. Sales increased by 17 % to € 33.6 million. However, these effects did not result in any increase in profit, meaning that EBIT remained constant at € 7.1 million.

Sales in the Radiation Therapy segment increased by € 0.8 million due to currency effects to € 14.7 million, but were not enough to cover the cost base. Operating EBIT amounted to € – 1.4 million. There were also positive currency effects of € 0.8 million and provisions of € 1.3 million for agreed restructuring measures and site closures. Segment EBIT therefore came in at € – 1.9 million.

The sales of the Radiopharma segment rose by not only the currency effect but also organically, especially in the equipment division and with the gallium generators. The “Other operating income” item includes most of the proceeds arising from the sale of the OctreoPharm investment. As a result, EBIT increased many times over to € 7.4 million.

Price increases meant that the Others segment registered a slight increase in sales of € 0.1 million to € 3.5 million. EBIT increased significantly by € 0.6 million to € – 0.8 million. The change is predominately due to the balance of a positive and a negative effect: The segment also received proceeds from the sale of the OctreoPharm investment. The segment was also impacted by a price increase announced in an important disposal channel, thereby further increasing provisions for waste material.

LIQUIDITY

The extraordinary effects from the sale of the OctreoPharm investment as well as provisions set aside for restructuring measures and external price increases – all of which are disclosed in the notes to the income statement – are not cash effective until the balance sheet date. These effects are therefore eliminated in the cash flow statement. Cash flow from operating activities was therefore up considerably year on year, mainly due to the decrease in the Radiation Therapy segment's receivables.

Investments declined following the completion of the new cyclotron in Warsaw, and are now limited to the expansion of the cyclotron facility in Bonn and maintenance investments.

The constant dividend of € 0.60 per share resulted in an unchanged cash outflow of € 3.2 million. The amount of loans declined by € 1.4 million. Financial holdings decreased overall to € 19.6 million as of June 30, 2015.

BALANCE SHEET

The balance sheet total as of the end of June 2015 remained nearly unchanged as against the end of 2014, rising slightly from € 187.3 million to € 191.0 million. This development was mainly due to the sale of the OctreoPharm investment. Other current and non-current assets climbed due to the resulting receivable. On the liabilities side, equity rose mainly as a result of the profit for the first half of the year. The equity ratio improved accordingly from 50 % to 53 %.

EMPLOYEES

The Eckert & Ziegler Group had a total of 715 employees worldwide as of June 30, 2015, 405 of whom worked in Germany. The number of employees was more or less unchanged as against the end of 2014, although the number of employees in the Radiation Therapy segment fell and new employees were recruited in the Radiopharma segment.

OUTLOOK

Sales are expected to rise to over € 133 million in 2015, while an improvement in earnings to over € 2.00 per share is also being targeted. The current US dollar exchange rate is providing major support in the achievement of this sales target. But the operating results achieved thus far also indicate that the targets will be met.

CONSOLIDATED INCOME STATEMENT

€ thousand	Quarterly Report II 04–06/2015	Quarterly Report II 04–06/2014	6-monthly Report 01–06/2015	6-monthly Report 01–06/2014
Revenues	34,983	31,223	69,024	61,925
Cost of sales	– 20,932	– 15,695	– 38,386	– 31,062
Gross profit on sales	14,051	15,528	30,638	30,863
Selling expenses	– 6,451	– 5,317	– 12,371	– 10,509
General and administrative expenses	– 6,610	– 6,027	– 13,379	– 12,301
Other operating income	9,036	405	9,238	655
Other operating expenses	– 2,377	– 1,227	– 3,284	– 2,235
Profit from operations	7,649	3,362	10,842	6,473
Results from shares measured at equity	– 236	– 60	– 408	– 138
Results of financial investments measured at fair value	–	– 26	–	– 65
Other financial results	– 500	– 106	1,281	– 75
Earnings before interest and taxes (EBIT)	6,913	3,170	11,715	6,195
Interest received	24	45	40	68
Interest paid	– 208	– 438	– 534	– 883
Profit before tax	6,729	2,777	11,221	5,380
Income tax expense	– 2,299	– 1,065	– 3,997	– 2,126
Net income	4,430	1,712	7,224	3,254
Profit/loss attributable to minority interests	365	– 43	257	14
Profit attributable to the shareholders of Eckert & Ziegler AG	4,795	1,669	7,481	3,268
Earnings per share				
Basic	0.91	0.32	1.41	0.62
Diluted	0.91	0.32	1.41	0.62
Average number of shares in circulation (basic)	5,288	5,288	5,288	5,288
Average number of shares in circulation (diluted)	5,288	5,288	5,288	5,288

GROUP STATEMENT OF COMPREHENSIVE INCOME

in € thousand	Quarterly Report II 04-06/2015	Quarterly Report II 04-06/2014	6-monthly Report 01-06/2014	6-monthly Report 01-06/2013
Profit for the period	4,430	1,712	7,224	3,254
Of which attributable to other shareholders	- 365	43	- 257	- 14
Of which attributable to shareholders of Eckert & Ziegler AG	4,795	1,669	7,481	3,268
Items that could subsequently be reclassified into the income statement				
Adjustment of balancing item from the currency translation of foreign subsidiaries	- 1,324	214	2,556	296
Amount reposted to income statement	0	0	0	0
Adjustment of amount recorded in shareholders' equity (Currency translation)	- 1,324	214	2,556	296
Total of value adjustments recorded in shareholders' equity	- 1,324	214	2,556	296
Of which attributable to other shareholders	12	0	21	- 1
Of which attributable to shareholders of Eckert & Ziegler AG	- 1,336	214	2,535	297
Total from net income and value adjustments recorded in shareholders' equity	3,106	1,926	9,780	3,550
Of which attributable to other shareholders	- 353	43	- 236	- 15
Of which attributable to shareholders of Eckert & Ziegler AG	3,459	1,883	10,016	3,565

GROUP STATEMENT OF CASH FLOW

in € thousand	6-monthly Report Jan 1, 2015 – June 30, 2015	6-monthly Report Jan 1, 2014 – June 30, 2014
Cash flows from operating activities:		
Profit for the period	7,224	3,253
Adjustments for:		
Depreciation and value impairments	3,927	3,504
Non-cash release of deferred income from grants	– 12	– 35
Gains (-)/losses on the disposal of non-current assets	8	– 4
Change in the non-current provisions, other non-current liabilities	2,375	513
Change in other non-current assets and receivables	– 7,351	5
Miscellaneous	1,931	73
Changes in current assets and liabilities:		
Receivables	3,740	61
Inventories	230	– 1,986
Accruals, other current assets	– 3,509	149
Change in the current liabilities and provisions	– 4,677	– 5,438
Cash inflows generated from operating activities	3,886	95
Cash flows from investing activities:		
Purchase (-)/sale of non-current assets	– 2,018	– 5,301
Cash outflows from investment activity	– 2,018	– 5,301
Cash flows from financing activities:		
Paid dividends	– 3,173	– 3,173
Distribution of shares of third parties	– 152	– 202
Change in long-term borrowing	– 1,348	– 2,581
Change in short-term borrowing	– 41	501
Aquisition of shares of consolidated companies	– 100	– 20
Cash outflows from financing activities	– 4,814	– 5,475
Effect of exchange rates on cash and cash equivalents	682	86
Increase / reduction in cash and cash equivalents	– 2,264	– 10,595
Cash and cash equivalents at beginning of period	21,824	29,414
Cash and cash equivalents at end of period	19,560	18,819

GROUP BALANCE SHEET		
in € thousand	June 30, 2015	Dec 31, 2014
Assets		
Non current assets		
Goodwill	39,846	38,321
Other intangible assets	16,638	17,297
Property, plant and equipment	36,063	36,119
Investments valued according to the equity method	2,705	5,323
Trade receivables	–	368
Deferred tax	9,143	9,465
Other non-current assets	7,036	2,501
Total non-current assets	111,431	109,394
Current assets		
Cash and cash equivalents	19,560	21,824
Trade accounts receivable	20,306	23,401
Inventories	24,837	24,322
Other current assets	13,949	7,426
Prepaid expenses and other current assets	962	962
Total current assets	79,614	77,935
Total assets	191,045	187,329
Equity and liabilities		
Capital and reserves		
Subscribed capital	5,293	5,293
Capital reserves	53,500	53,500
Retained earnings	36,444	32,136
Other reserves	209	– 2,326
Own shares	– 27	– 27
Portion of equity attributable to the shareholders of Eckert & Ziegler AG	95,419	88,576
Minority interests	5,527	5,914
Total shareholders' equity	100,946	94,490
Non-current liabilities		
Long-term borrowings and finance lease obligations	6,514	7,279
Deferred income from grants and other deferred income	675	680
Deferred tax	4,232	2,728
Retirement benefit obligations	11,013	11,094
Other provisions	26,450	23,637
Other non-current liabilities	4,497	4,632
Total non current liabilities	53,381	50,050
Current liabilities		
Short-term borrowings and finance lease obligations	10,941	11,426
Trade accounts payable	5,960	8,220
Advance payments received	401	3,090
Deferred income from grants and other deferred income	141	117
Current tax payable	2,108	2,142
Current tax payable	3,600	3,600
Other current liabilities	13,567	14,194
Total current liabilities	36,718	42,789
Total equity and liabilities	191,045	187,329

STATEMENTS OF SHAREHOLDERS' EQUITY

	Subscribed capital				Cumulative other equity items				Equity attributable to shareholders' equity	Minority shares	Group share holders' equity
	Number Piece	Nominal value € thsd.	Capital reserve € thsd.	Retained reserves € thsd.	Unrealized profit securities € thsd.	Unrealized profit pension commitments € thsd.	Foreign currency exchange differences € thsd.	Own shares € thsd.			
As of January 1, 2014	5,292,983	5,293	53,500	28,534	2	- 833	- 2,977	- 27	83,492	6,773	90,265
Total of expenditures and income directly entered in equity	0	0	0	0	- 2	- 1,832	3,316	0	1,482	- 13	1,469
Net profit for the year				6,775					6,775	- 278	6,497
Total income for the period	0	0	0	6,775	- 2	- 1,832	3,316	0	8,257	- 291	7,966
Dividends paid				- 3,173					- 3,173	- 568	- 3,741
As of December 31, 2014	5,292,983	5,293	53,500	32,136	0	- 2,665	339	- 27	88,576	5,914	94,490
As of January 1, 2015	5,292,983	5,293	53,500	32,136	0	- 2,665	339	- 27	88,576	5,914	94,490
Total of expenditures and income directly entered in equity	0	0	0	0	0	0	2,535	0	2,535	21	2,556
Net profit for the year				7,481					7,481	- 257	7,224
Total income for the period	0	0	0	7,481	0	0	2,535	0	10,016	- 236	9,780
Dividends paid				- 3,173					- 3,173	- 151	- 3,324
As of June 30, 2015	5,292,983	5,293	53,500	36,444	0	- 2,665	2,874	- 27	95,419	5,527	100,946

SEGMENTAL REPORT

in € thousand	Isotope Products		Radiation Therapy		Radiopharma		Others		Elimination		Total	
	01-06/2015	01-06/2014	01-06/2015	01-06/2014	01-06/2015	01-06/2014	01-06/2015	01-06/2014	01-06/2015	01-06/2014	01-06/2015	01-06/2014
Sales to external customers	33,616	28,807	14,677	13,903	17,259	15,845	3,472	3,370	0	0	69,024	61,925
Sales to other segments	1,465	968	87	101	13	40	2,930	2,840	- 4,496	- 3,949	0	0
Total segment sales	35,081	29,775	14,764	14,004	17,272	15,885	6,402	6,210	- 4,496	- 3,949	69,024	61,925
Segment profit before interest and profit taxes (EBIT)	7,050	7,180	- 1,914	- 1,166	7,420	1,654	- 841	- 1,473	0	0	11,715	6,195
Interest expenses and revenues	- 36	- 45	- 183	- 293	- 610	- 628	335	151	0	0	- 494	- 815
Income tax expense	- 2,401	- 2,203	- 754	336	- 910	- 393	68	134	0	0	- 3,997	- 2,126
Profit before minority interests	4,613	4,932	- 2,851	- 1,123	5,900	633	- 438	- 1,188	0	0	7,224	3,254

SEGMENTAL REPORT

in € thousand	Isotope Products		Radiation Therapy		Radiopharma		Others		Total	
	01-06/2015	01-06/2014	01-06/2015	01-06/2014	01-06/2015	01-06/2014	01-06/2015	01-06/2014	01-06/2015	01-06/2014
Segmental assets	90,448	95,535	53,077	56,533	41,692	35,766	93,894	94,267	279,111	282,101
Elimination of inter-segmental shares, equity investments and receivables									- 88,066	- 108,679
Consolidated total assets									191,045	173,422
Segmental liabilities	- 39,800	- 42,607	- 24,441	- 22,687	- 35,047	- 34,611	- 15,002	- 6,687	- 114,290	- 106,592
Elimination of intersegmental liabilities									24,191	23,973
Consolidated liabilities									- 90,099	- 82,619
Investments (without acquisitions)	949	2,153	323	932	457	1,384	289	832	2,018	5,301
Depreciation	- 1,477	- 1,187	- 996	- 1,054	- 935	- 803	- 519	- 460	- 3,927	- 3,504
Non-cash income (+)/expenses (-)	15	504	- 171	690	4,679	- 948	- 1,474	- 798	3,049	- 552

SALES BY REGIONS

	01-06/2015		01-06/2014	
	€ million	%	€ million	%
Europe	33.5	49	34.2	55
North America	23.3	34	19.8	32
Asia/Pacific	7.1	10	5.8	9
Others	5.1	7	2.1	4
Total	69.0	100	61.9	100

Notes to the interim financial statements

1. GENERAL INFORMATION

These unaudited interim financial statements as of June 30, 2015 contain the financial statements of Eckert & Ziegler Strahlen- und Medizintechnik AG and its subsidiaries (hereinafter referred to as “Eckert & Ziegler AG”).

2. ACCOUNT AND VALUATION METHODS

As with the annual financial statements for 2014, the consolidated financial statements (interim financial statements) of Eckert & Ziegler AG as of June 30, 2015 have been prepared in accordance with International Financial Reporting Standards (IFRS). All standards of the International Accounting Standards Board (IASB), London, applicable in the EU at the reporting date, as well as the relevant interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC) have been taken into account. The accounting and valuation methods explained in the notes to the annual financial statements for 2014 have been applied unchanged.

When preparing the consolidated financial statements in accordance with IFRS, it is necessary to make estimates and assumptions that impact the amount and disclosure of recognized assets and liabilities, revenues and expenses. Actual amounts may differ from the estimates. Significant assumptions and estimates are made concerning useful lives, income achievable from property, plant and equipment, recoverability of receivables and the accounting and measurement of provisions.

This interim report includes all information and adjustments required to provide a true and fair view of the net assets, financial position and results of operations of Eckert & Ziegler AG as of the reporting date. The interim results for the current fiscal year do not necessarily allow conclusions to be drawn about the development of future earnings.

3. SCOPE OF CONSOLIDATION

The consolidated financial statements of Eckert & Ziegler AG include all companies where Eckert & Ziegler AG is able, either indirectly or directly, to determine the company’s financial and business policies (control concept).

Acquisitions and sales of companies

Please refer to the explanations given in section 4 for details on the acquisitions and sales of companies.

4. LIMITED COMPARABILITY OF THE CONSOLIDATED FINANCIAL STATEMENTS WITH THE PRIOR YEAR

The Isotope business unit of REM Indústria e Comércio Ltda. (REM), which is based in São Paulo, Brazil, was acquired effective September 1, 2014.

These had a material impact on the Group's net assets and results of operations as against the first six months of 2014, impairing the comparability of the consolidated report with the prior year.

5. CURRENCY TRANSLATION

The financial statements of companies outside the European Monetary Union are translated pursuant to the functional currency concept. The following exchange rates were used for the currency translation:

Country	Currency	Exchange rate June 30, 2015	Exchange rate Dec 31, 2014	Average rate Jan 1–June 30, 2015	Average rate Jan 1–June 30, 2014
USA	USD	1.1189	1.2141	1.1158	1.3716
Czech Republic	CZK	27.253	27.735	27.5021	27.4362
Great Britain	GBP	0.7114	0.7789	0.7323	0.8228
Poland	PLN	4.1911	4.2732	4.1409	4.1672
Russia	RUB	62.355	72.337	64.6407	47.9472
Brazil	BRL	3.4699	3.2207	3.3102	3.1418

6. OWN SHARES

Eckert & Ziegler AG held 4,818 own shares as of June 30, 2015. This equates to a 0.1 % share of the Company's subscribed capital.

7. MATERIAL TRANSACTIONS WITH RELATED PARTIES

Please refer to the consolidated financial statements as of December 31, 2014 for details on material transactions with related parties.

8. DECLARATION PURSUANT TO SECTION 37Y OF THE WPHG IN CONJUNCTION WITH SECTION 37W (2) NO. 3 OF THE WPHG

We assure to the best of our knowledge that in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements provide a true and fair view of the net assets, financial position, and results of operations of the Group, and that the interim Group management report includes a fair review of the development and performance of the business, the business results, and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the fiscal year.

Berlin, August 4, 2015



Dr. Andreas Eckert
Chairman of the Executive Board



Dr. Edgar Löffler
Member of the Executive Board



Dr. André Heß
Member of the Executive Board

Financial calendar

November 5, 2015	Quarterly Report III/2015
November 23, 2015	German Equity Forum in Frankfurt
March 23, 2016	Annual Report 2015
May 10, 2016	Quarterly Report I/2016
June 8, 2016	Annual Shareholder Meeting in Berlin
August 2, 2016	Quarterly Report II/2016
November 3, 2016	Quarterly Report III/2016 (subject to change)

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LAYOUT

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PHOTO

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Eckert & Ziegler archives